

8. Yes, the amount surcharged?—I take it it was through an erroneous construction I put on the section of the Act according to the decision in *Jordan v. Cuff* [Exhibit E], decided by the Supreme Court.

9. The non-collection is owing to an erroneous interpretation placed by you on the statute?—Yes.

10. What was the error, and how did the error affect it?—It was due to my reading of section 135 of "The Mining Act, 1891." [Exhibit A.] The reason of this amount being in arrear was that I allowed the licensees of special claims and licensed holdings to pay me the rent up to the date the surrender was accepted. In the case *Jordan v. Cuff* the Court decided that that practice was wrong—that a man must pay in advance the half-yearly period, and until that was paid he could not surrender. The reason why I put a different construction on that section was that in several cases under the section a company would have to pay rent twice over in the same period for the same piece of land. I considered also that section 135 did not apply, but that subsection (4) of section 71 was the subsection that applied. [Exhibit A.] I construed that as one of the conditions on which the licensee held his holding.

11. There was a conflict between the two sections?—Yes.

12. Then, there has been no negligence on your part at all? It is simply an error in the Act?—Precisely.

13. And there would be a dual payment if that construction of section 135 were upheld?—Yes. When I was surcharged I sued the Waihi Company for arrears. This action was pending, and I was instructed to withdraw from the case. It simply meant that the Waihi Company was to pay the rent twice over for the same ground.

14. You received instructions from whom to withdraw from the case?—From my department.

15. Are you alone in your interpretation of the Act?—No; I do not think so.

16. Are you aware that other Mining Registrars and Receivers of Goldfields Revenue have been doing the same?—Yes. When I was at the Thames, before I was given charge at Paeroa, that was the practice there, and I followed it when I went to Paeroa.

17. And the result of so doing is that an embargo is placed on your salary?—Well, it has not been deducted so far.

18. At all events, in respect of rents that were payable otherwise have you used due diligence in collecting?—Yes.

19. There has been some difference of opinion as to who the parties are who are to receive these moneys for which you are surcharged. Does it all go to the Crown, and is it Crown land, or is a portion of it due to the Natives; and, if so, what proportion do the two bear to the whole?—Of course, I allocated the whole of it to the Native revenue, according to instructions received from the Treasury. That is now.

20. You received a communication asking you how much money had to go to the Natives, and how much to the Crown?—Yes.

21. And you replied that only £1 12s. went to the Natives?—Yes, that is correct.

22. And that the balance went to the Crown?—Yes.

23. Just now you said you allocated it to the Natives?—Yes, I have allocated it to the Natives under instructions; but in reality all the land in the district but a small portion is Crown land. I have allocated it to the Native revenue in consequence of instructions.

24. You have allocated it to Native revenue although the whole of the land is Crown land?—Yes, that is so. It may seem extraordinary, but I will explain the matter to you.

25. I think it requires explanation?—In the first place, when I went there there was an officer who allocated all this revenue for either the Natives or the Crown. When I went to Paeroa I allocated it to the Natives, the Crown, or the rightful owners, whoever they were. This went on for some fourteen months, when I received instructions from the Treasury, which I will read. The first memorandum I received was No. 891, dated 27th May, 1897:—

"To the Receiver of Gold Revenue, Ohinemuri.

"With reference to the copies of your cash-book for periods ending the 1st and 8th instant, you have omitted to show in the column for that purpose the name of the local authority in which the revenue accrued. As it is necessary for this to be done, the copies are herewith returned for completion. It is observed that the greater part of the revenue is allocated in the summaries to Ohinemuri County, which appears to be opposed to the view held by the late Warden, who in a memorandum to the Treasury, dated the 16th February last, stated that 'the system in force at the Thames and Ohinemuri at the present time is that all moneys, whether payable to the county or payable to the Natives, are paid by me through my imprest account,' which would apparently necessitate all your collections being credited to the Native Account. Will you give this matter your early attention, and forward an explanation as to the practice referred to by the late Warden?"

"R. J. COLLINS, Accountant to the Treasury."

In reply to that I said that I allocated all this revenue to the Crown lands and proper owners, as I had to certify that my cash-books were correct; that I must therefore allocate it to the proper owners, and I protested against having to allocate it all to the Native revenue. In consequence of that answer I received another memorandum, dated the 25th June, 1897:—

"With reference to your memorandum of the 7th instant relative to the crediting of goldfields revenue to the county instead of to the Native Account, the existing practice should not have been disturbed without instructions. The Warden desires that all your goldfields revenue should be allocated to the Native Account with a view of its being distributed from his office, and the practice formerly obtaining must therefore be continued. The copies of your cash-book, embracing the periods from the 1st May to the 12th June, inclusive, have accordingly been amended in the Treasury by allocating the whole of the goldfields revenue to the Ohinemuri Native Account, and I shall be pleased if you will make the same alteration in your cash-book.

"R. J. COLLINS, Accountant to the Treasury."